



**IT IS ORDERED as set forth below:**

**Date: March 12, 2010**

**Paul W. Bonapfel  
U.S. Bankruptcy Court Judge**

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

IN THE MATTER OF:	:	CASE NUMBER: A08-68723-PWB
	:	
LINDY EDGAR LEWIS	:	
and CHERYL LYNN LEWIS,	:	
	:	IN PROCEEDINGS UNDER
	:	CHAPTER 7 OF THE
Debtors.	:	BANKRUPTCY CODE
	:	
LINDY EDGAR LEWIS	:	
and CHERYL LYNN LEWIS,	:	
	:	
Movants	:	CONTESTED MATTER
	:	
v.	:	
	:	
CITIFINANCIAL AUTO CREDIT, INC.,	:	
	:	
Respondent.	:	

**ORDER DENYING MOTION TO REDEEM**

The Debtors seek to redeem a 2003 Dodge Grand Caravan from the lien of CitiFinancial Auto Credit, Inc. (CitiFinancial) pursuant to 11 U.S.C. § 722 which permits a debtor to redeem

exempted personal property “by paying the holder of such lien the amount of the allowed secured claim of such holder that is secured by such lien in full at the time of redemption.”

The Debtors propose to pay \$0.00 to CitiFinancial to redeem the vehicle. Although the motion does not disclose how the Debtors arrived at the figure of \$0.00 for the redemption amount, it appears that it derives from their payment in full of CitiFinancial’s claim when this was a chapter 13 case prior to conversion to chapter 7. CitiFinancial filed a proof of claim in the amount of \$11,653.21 plus 13.75% interest. The Debtors’ confirmed plan provided for payment of the secured claim of \$11,653.21 plus 8.25% interest. The Chapter 13 Trustee’s final report reflects that she disbursed to CitiFinancial \$11,653.21 principal and \$587.20 interest.

Section 348(f)(1)(C) provides that, in a case converted from chapter 13,

the claim of any creditor holding security as of the date of the petition shall continue to be secured by that security unless the full amount of such claim determined under applicable nonbankruptcy law has been paid in full as of the date of conversion, notwithstanding any valuation or determination of the amount of an allowed secured claim made for the purposes of the case under chapter 13.

Although the Debtors paid the amount of the claim as required by the confirmed plan, because the Debtors did not pay the contractual interest rate, the Debtors did not pay the “ full amount of such claim determined under applicable nonbankruptcy law” and, thus, the balance of CitiFinancial’s claim continues to be secured by the lien of the vehicle. Since there is no evidence that the Debtors have otherwise paid the claim in full or that CitiFinancial has released its lien, there is no basis for allowing redemption of the vehicle from CitiFinancial’s lien for \$0.00. Accordingly, it is

ORDERED that the Debtors’ motion to redeem is denied without prejudice.

End of Order

Distribution List

CitiFinancial Auto Credit, Inc.  
c/o CT Corporation System  
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